

#	Question	Reply
Q1	Do you agree that there should be no restriction regarding the organization types able to consume the ISINs and their associated reference data at no charge? If not, please explain your reasoning and provide evidence where possible.	we agree with the approach.
Q2	There is a marginal cost associated with registration and onboarding a new organization for access to the DSB. Do you agree that organizations registering with the DSB should not be charged any fee for data access or onboarding? If not, please suggest an alternative approach that is consistent with the principle of 'reasonable cost' access to ISINs for OTC derivatives.	we agree with the approach.
Q3	Do you agree with the DSB estimate of 40 for the number of organizations that will want to create ISINs? If not, please explain an alternative estimate and provide evidence to support your answer.	<p>We believe that there might be many more than 15 investment firms that qualify as an SI for a class of OTC derivatives, hence we believe there might be much more than 15 non-tv ISIN creators. For a derivative class that is deemed illiquid, e.g. any class within FX derivatives, an investment firm needs to trade no more than 26 deals in a six-month-period to qualify as SI. This would boost the number of SI's into the hundreds (not implying that they all would need to create ISIN's - we suggest you define assumptions of who would actually need to create ISIN's, and for what purpose.)</p> <p>The purpose of ISIN's may also extend well beyond MiFID reporting requirements: (i) EMIR reporting to trade depositories requires identification of derivatives with an ISIN from 2018 onwards, and (ii) the ISIN may serve non-regulatory purposes, e.g. for identification of derivatives in portfolio reconciliations and trade confirmations.</p>
Q4	Do you agree with the DSB estimate of 50 for the number of organizations that will want to connect to the service via the FIX network? If not, please provide evidence that supports a different estimate.	<p>We disagree with the number of 50, because we believe there might be hundreds / thousands of investment firms (like us) that want to use FIX to retrieve an existing ISIN as part of their post-trade-transparency process (because the ISIN is a reportable field and also because the ISIN may be required to establish whether a derivative is traded on a trading venue). We would appreciate if you laid down your assumptions as to who needs to retrieve ISIN's for what purpose.</p> <p>Generally, our impression is that the fee model should give more emphasis to the question of who wants to retrieve existing ISIN's (and the required response time) as opposed to the question of who creates ISIN's. Even SI's may rather be driven by retrieve-use-cases than by create-use-cases, because (i) the post-trade-transparency regularly falls on the SI and (ii) being an SI doesn't necessarily go along with the activity of creating ISIN's. Especially because SI status is likely to be acquired in platform traded products, hence in products that are equipped with an ISIN already, ISIN creation by SI's may be of less importance. As noted in Q3, use of ISIN's beyond MiFID, e.g. EMIR and non-regulatory purposes, will also drive the number of FIX users up</p> <p>The question "who needs to retrieve existing ISIN's" is particularly important because the low number of 50 fix users drives the fee for each of them considerable up. In our opinion, you currently send a message here that the FIX connection comes at a prohibitive price for smaller institutions (potentially including us). Since market participants are well into their respective implementation projects, that message affects already investment decisions and contributes to shaping a DSB infrastructure in the European market with a low number of FIX users. If you were sending a message instead that you expect 1000+ FIX users, the price would probably be so low that most market participants would be willing to factor that cost in for building their target architecture.</p>
Q5	Do you agree with using 2m as a predictive estimate for the number of ISINs the DSB expects to create in a 12-month period? If not, please explain why and provide any necessary evidence or examples to support your response.	we disagree; we would assume that market will use ISIN not only because of MiFID II or MAR regulations and thus will request more ISINs than 2m p.a.

Q6	Given the potential disincentive to be the first requestor to create a given ISIN, do you agree that using the ISIN reporting obligation is a sensible basis for allocating costs (and therefore fees) amongst the regulated entities that have an ISIN reporting obligation? If not, please explain why and suggest an alternative approach and evidence why that is more appropriate.	As mentioned in Q4, the creation of ISIN's may rest much less on SI's shoulders than you currently assume. There might be many SI's connecting to ANNA DSB that do not create ISIN's on a regular basis.  If it holds true that ISIN's are predominantly generated by trading venues, that ISIN creation would still benefit SI's and in general, all market participants. It seems fairer to us to use a fee model that doesn't levy on the creation of ISIN's, but solely on the FIX connectivity. This modified fee model would also reduce the DSB's operational burden of analysing RTS 23 reports, and would reduce uncertainty of the individual outcome of the calculation.
Q7	Do you foresee any challenges with using the number of OTC derivative instruments reported under RTS23 as the mechanism to collect the relevant data to allow the calculation to take place? If not, please explain why and suggest an alternative approach and evidence why that is more appropriate.	As mentioned in Q6, charging for the consumption of ISIN's (i.e. retrieving of existing ISIN's instead of creation of ISIN's) may be the better way to go.
Q8	Is there another group of organizations that will interact with the DSB and should be taken into account when constructing the fee model? If so, please describe them and what their potential impact might be on the service.	As mentioned in Q4, we see a number of FIX users that retrieve existing ISIN's in a near time process to enrich post trade transparency data, and also use ISIN's for EMIR reporting to trade repositories and for non-regulatory purposes. This group of users could be much larger than the ISIN creator group, and should be addressed in the fee model individually.
Q9	Having read about the proposed fee model in the above section and the various fee models considered in Section 7, do you agree that the proposed model offers a fair and equitable approach to fees for the numbering agency function of the DSB? If not, please explain your reasons and, if possible, suggest improvements on the proposed model.	An all-in fee for the FIX connection in the range of 5-10k p.a. would offer an incentive for smaller institutions to connect to DSB, and would contribute to the widespread use of ISIN's for derivatives.
Q10	Do you think the proposed model is practical and executable? If not, please provide your reasons and, if possible, potential solutions to the challenges.	The reliance on RTS23 data seems to be an operational burden that we would suggest to avoid.
Q11	What other fee models should the DSB consider as part of its deliberations? Please provide an explanation in the form of the examples provided in this paper and evidence of the impact on users where possible.	The fee model as proposed in the consultation paper leaves uncertainty about the threshold of FIX users that needs to be crossed before all costs would be allocated to the FIX users. We suggest to set that threshold at zero, i.e. to allocate all costs to the FIX users.  Also, we suggest to consider a fee model that charges FIX access 'per message' as opposed to 'per user', see more details in Q12
Q12	What additional effects might the presence of intermediary vendors have on the fee model of the DSB? Please provide examples and evidence where possible.	We expect APA's to serve as intermediary vendors, and also IT service providers who centralise access to DSB within groups of financial institutions. Using intermediaries should in many cases reduce costs (project & maintenance), regardless of the DSB fee model.  While we understand that use of intermediaries shall not unduly arbitrage the DSB fee model, it would be natural for us to assume that the fee model acknowledges economies of scale. If economies of scale shall not be realized via the number of connecting entities, they could instead be realized via the number of messages exchanged. It may be fair to have the operational cost of running DSB not split evenly over the number of FIX users, but have it split over the number of FIX messages submitted by each FIX user instead (employing a degressive schedule for volume bands).